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UNITED STATES INTELLIGENCE BOARD

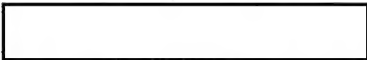
SECURITY COMMITTEE

OFFICE of the CHAIRMAN


SECOM-M-164
30 October 1974

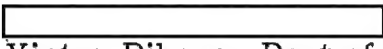
Minutes

One Hundred Sixty-Fourth Meeting
Room 6E-0708, CIA Headquarters
Tuesday, 22 October 1974, 1000 to 1200 Hours



Chairman
Presiding

MEMBERS PRESENT


 CIA
H. L. Taylor, AEC
Leon F. Schwartz, FBI

 DIA
Victor Dikeos, Dept of State
Col. Leo F. Olsen, Air Force
Donald R. Paschal, Navy
Merrill T. Kelly, Army

ALSO PRESENT

James Mastrovito, Treasury Alternate
 NSA Alternate
, NSA Alternate
Alternate
DIA Alternate
, DIA
DIA

Maj. Larry Meyers, Air Force
Maj. Henry Koch, Air Force
Capt. Larry Barnes, Air Force
Richard Welch, Navy
Howard Boose, Jr., Army

 CIA

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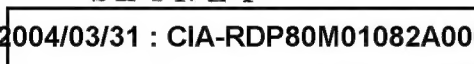
ALSO PRESENT (Cont.)



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1. Briefing - Defense Industrial Security Program, Foreign Ownership, Control and Influence Policy

Mr. Thomas J. O'Brien, Director, Security Plans and Programs, Office of the Deputy Assistant Secretary of Defense (Security Policy), briefed the Security Committee and guests on the DoD Defense Industrial Security Program. The briefing, arranged through the DIA member, was requested in view of community concern over the potential security threat inherent in substantial foreign investments in some US contractor firms which could result in foreign ownership, control or influence. A digest of Mr. O'Brien's presentation and copies of graphic aids are attached.

In response to questioning following the briefing, Mr. O'Brien said that the Defense Supply Agency maintains files on approximately 11,500 contractors including those determined to be ineligible for classified contracting because of foreign influence. While DSA does not routinely disseminate lists of ineligible contractors, it offers its files for review by any US Government agency with relevant interest.

Security Committee members are encouraged to avail themselves of the DSA material.

2. Approval of Minutes

The minutes of the 162nd and 163rd meetings were approved as published.

3. CLAIRE Report

The Chairman advised that he had the opportunity of discussing the Committee's study of the CLAIRE proposal with the DCI during the preceding week. He informed the DCI of the overall conclusions reached and of the possibility of proceeding with CLAIRE within CIA or conducting a broad study to determine means of satisfying all needs within the community. The DCI indicated that he had initiated the request in a desire to have some clearance procedure established which would facilitate quick and effective clearance checks with a resultant use of the procedure to make sure sensitive information was relayed only to those specifically cleared and with a need-to-know. He hoped an end

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result would be a reduction, if not elimination, of leaks which have plagued the community. The DCI indicated he was not desirous of instituting something only within CIA if some procedure could be established which would be of community-wide benefit but was hopeful a lengthy study would not be required to determine the feasibility of such a procedure. He mentioned the possibility of establishing a procedure which was practical, effective and which, if proven, could be added to at a later date. The DCI expressed appreciation for the work already done and hoped this could be a basis for a limited additional study to explore other concepts.

The members then discussed the CLAIRE report and those revisions proposed by the Chairman in consequence of his discussion with the DCI.

Minor changes were proposed and accepted, and members agreed that the report should be forwarded to the Chairman, USIB.

A question was raised about the need for classification of the report which had been distributed in draft as an unclassified document. A review of the report in its final form fails to reveal material that meets the criteria for classification as set forth in Executive Order 11652. It was agreed that the use of the marking "For Official Use Only" would be explored.

With regard to implementation of the study proposed in the report, the Chairman proposed and members agreed that a representative of DoD and the Chairman of the CLAIRE Working Group should immediately begin the study and should serve as executive agents for the group in preparation of an initial draft. The DoD representative and Chairman would work in parallel with different members of the group and convene the entire group when necessary.

The Chairman expressed his appreciation to the CLAIRE Working Group for its report. He also thanked members of the Committee for their attention and support.

4. Discussion of Revision of DCID 1/14

The need for a review and revision of DCID 1/14, "Uniform Personnel Security Standards and Practices Governing Access to Sensitive Compartmented Information," in light of today's environment, had been raised at a previous meeting of the Committee. Members

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agreed that such action should be undertaken. The Chairman proposed, and members concurred, that the task to review and revise DCID 1/14 might properly be charged to the Compartmentation Security Subcommittee for early action.

The Chairman mentioned that he would like to establish this Subcommittee in the immediate future. He took the opportunity to mention that some departments and agencies had not yet responded to the 6 September 1974 Memorandum for USIB Principals requesting designations for membership in the Security Committee. The Chairman said that he would appreciate a response and would like to have departments and agencies make known the representation desired on subcommittees and a negative response if departments did not wish representation at this time on any of the subcommittees. The Chairman mentioned that he had received some excellent nominations of well-qualified individuals for chairmen of the subcommittees.

5. Status Reports

25X1 (a) Uniform Declassification Guidelines -- The Chairman of this Working Group, [] CIA, submitted the final draft of the guidelines to the Security Committee at a previous meeting. At the request of the Chairman, Security Committee, the guidelines were
25X1 forwarded to [] Chairman of the Interagency Classification Review Committee, for informal coordination prior to being forwarded to the Chairman, USIB. In view of the fact that no response has yet been
25X1 heard from [] the Chairman of the Working Group requested, and the Chairman of the Security Committee agreed, that this status report be delayed.

(b) Declassification Actions -- On 11 September 1974, Army requested declassification action on three SECRET TSCC Penetration Reports for which the Security Committee is now responsible. The three reports were included in Department of the Army Pamphlet No. 30-20-8, "Counterintelligence Trends and Developments," dated 8 March 1971, classified SECRET/No Foreign Dissem. Dr. Daniel J. Stern, Professor of Sociology at Northeastern Illinois University, Chicago, Illinois, had requested declassification of this document and others under the terms of the Freedom of Information Act.

On 19 September two of the Penetration Reports were sent by the Security Committee to Department of State and one to the FBI. The FBI had in turn forwarded the request to the AEC for a declassification determination.

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25X1 The Chairman expressed the desire for expeditious action by the AEC and Department of State so that a reply could be made to Army and in turn to [] AEC and State representatives informed that they were in receipt of the request and were working on them. They indicated that a determination should be forthcoming in the near future.

6. Amendments to the Freedom of Information Act

The Chairman mentioned that the President had vetoed amendments to the Freedom of Information Act proposed by the Congress. The President has said that he would offer the Congress alternative amendments. While it is not known what form the final amendments might take, it may be anticipated that the action mirrors the tempo of the times and more requests for declassification actions can be anticipated by all departments and agencies.

In this connection the Chairman mentioned that the DCI's Letter of Instruction for FY-1975 to the Chairman included a task to develop procedures to assist the Board itself in responding to requests for declassification of USIB material. The Chairman proposed that an initial draft of the procedures be prepared by the Committee staff for consideration of members at a later meeting. The members agreed with this proposal.

7. New Business

(a) The Chairman informed that the DCI has issued the FY-1975 Letter of Instruction to the Chairman of the Security Committee. Copies of the Letter were provided to members.

(b) The Chairman reported that he had attended a briefing by NSA on the SIGINT activities of the USSR. While this particular briefing was not directed specifically to the threat presented to the use of telephones, there were elements of the briefing that members might find of interest. The Chairman requested members to inform the Committee staff of any interest. The NSA member observed that members of the TSCS might find particular interest. He agreed to arrange for NSA to present the briefing if sufficient interest is expressed.

(c) The Chairman informed that the previous Chairman of the R&D Subcommittee of the TSCC had deferred a suggestion made some time ago to broaden the task level of the R&D Subcommittee to include all aspects of physical and technical security. The suggestion had

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subsequently been brought to the attention of the new Chairman of the Security Committee. He had requested a proposal paper which [] Chairman, R&D Group, and [] IC Staff, had prepared. The proposal was submitted and favorably accepted at the last meeting of the TSCS on 18 October 1974. The Chairman then provided copies of the proposal paper to members of the Security Committee and requested they be prepared to discuss it at the next meeting.

(d) The Chairman informed members that he had received a request from the US Coast Guard for membership or observer status on the TSCS and on the Computer Security Subcommittee. The request had been discussed at the 18 October meeting of the TSCS and Computer Security Subcommittee. While the latter had no objection, the TSCS had reservations noting that similar requests had been received previously and rejected. The Chairman asked for views of the members of the Committee.

The following discussion reflected general reservations by members. The Chairman said that he would not respond to the request at this time and will discuss the matter further with the Navy member of the Committee and the TSCS and report back to the Committee.

(e) [] CIA, requested the guidance of the members as to their perceived needs in the report of foreign, integrated and liaison officers. It was decided that an initial report would be desired by all members. This report would list all foreign integrated officers and the agency to which they are assigned. The report would list all foreign liaison officers in the Washington area and reflect to which departments and agencies they are accredited. Quarterly changes should be in the form of a list of additions or deletions from the initial list. If it is determined later that less frequent update reports are needed, then the schedule could be adjusted.

The CIA member proposed that CIA prepare an initial submission for review of the members. The Chairman and members accepted this proposal.

To ensure an accurate listing, [] requested members to submit identification of current foreign liaison and integrated officers and to submit any changes prior to issuance of the first quarterly report.

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(f) [redacted] as the new
DIA member of the Security Committee. The Chairman and members
welcomed Col. Cary and extended offers of support to him in his
Committee role.

8. Next Meeting

The Chairman scheduled the next meeting of the Security Committee
for 1000 hours, Tuesday, 19 November, in Room 6E-0708, CIA Headquarters
Building.

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[redacted]

Executive Secretary

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